(iii) MC Kinsey & Company

(iv) Hindustan Lever Ltd.

(v) Johnson & Johnson Ltd.

(vi) Maruti Udyog Limited

(vii) Nestle India Limited

(viii) Honda Motors Co. Ltd.

(b) For taxable services provided by an Indian service provider, the liability for payment of service tax is, in general, on such service provider and not on the companies receiving such services.

(c) The details of amount of service tax outstanding against companies mentioned in (a) above are detailed in the Table below. Does not arise with respect to (b) above.

Name of the company	*Outstanding amount of service tax* (in Rs. Crore)
Hyundai Motor India Ltd.	10.44
MC Kinsey & Company	7.34
Johnson & Johnson Ltd.	2.43

(d) Action, as per law, is beign taken to realise the amount due to the Government.

Merger of Small Banks with Bigger Banks

†2861. SHRI JANARDAN DWIVEDI:
SHRI MOTILAL VORA:

Will the Minister of FINANCE be pleased to state:

(a) the date on which approval by Government was accorded to the proposal of merging of some of the smaller banks with the bigger ones alongwith the details thereof;

†Original notice of the question was received in Hindi

(b) the basis of merging of banks;

(c) by when the process of merging will be completed; and

(d) the reasons for the delay?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Reserve Bank of India has issued guidelines on merger/amalgamation of private sector banks on 11th May, 2005 which are available on the RBI website www.rbi.org.in. Amalgamations are normally decided by RBI on business considerations such as the need for increasing the market shares, synergies in the operations of businesses, acquisition of a business unit or segment, sound rationale for the amalgamation, the systemic benefits and the advantage accruing to the residual entity, etc.

(c) The guidelines provided for voluntary amalgamation of two banking companies under the provision of Section 44A of the Bankign Regulation Act, 1949.

(d) Does not arise.

Fiscal Deficit

2862. SHRI B.J. PANDA:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have been able to rein in the fiscal deficit;

(b) if so, the details thereof; and

(c) what is the action plan of Government to control expenditure and recover tax arrears to further control the deficit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Budget for 2004-05 had estimated the fiscal deficit to be Rs. 1,37,407 crore, equivalent of 4.5 per cent of GDP The provisional Union Government Accounts for 2004-05 released by Comptroller General of Accounts places the fiscal deficit at Rs. 1,27,975 crore, equivalent of 4.1 per cent of GDP.